

Executive Summary – Enforcement Matter – Case No. 49345

Hydril Company

RN102332673

Docket No. 2014-1389-AIR-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Hydril Premium Connections, 302 McCarty Street, Houston, Harris County

Type of Operation:

Pipe threading facility

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: June 19, 2015

Comments Received: No

Penalty Information

Total Penalty Assessed: \$15,002

Amount Deferred for Expedited Settlement: \$2,999

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$12,003

Total Due to General Revenue: \$0

Payment Plan: N/A

Supplemental Environmental Project ("SEP") Conditional Offset: \$0

Name of SEP: N/A

Compliance History Classifications:

Person/CN - Satisfactory

Site/RN - Satisfactory

Major Source: Yes

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: April 2014

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation(s): July 31, 2014 through August 7, 2014 and January 13, 2015

Date(s) of NOE(s): August 26, 2014 and February 27, 2015

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Hydril Company
RN102332673
Docket No. 2014-1389-AIR-E

Violation Information

1. Failed to submit a deviation report no later than 30 days after the end of the reporting period. Specifically, a deviation report for the November 20, 2012 through May 19, 2013 reporting period was not submitted, but the Respondent had a deviation for failing to submit the Discrete Emission Credits (“DEC-2”) by March 11, 2013 [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(C), TEX. HEALTH & SAFETY CODE § 382.085(b), and Federal Operating Permit (“FOP”) No. O3466, General Terms and Conditions (“GTC”).]
2. Failed to comply with the volatile organic compound (“VOC”) emissions specifications for surface coating. Specifically, the Respondent exceeded the miscellaneous metal parts and products VOC emissions limit of 3.5 pounds per gallon of coating by 0.8 to 2.36 pounds during the period of April 25, 2013 through July 22, 2013 and was not covered by Discrete Emission Reduction Credits (“DERCs”) due to the late submittal of the DEC-2 [30 TEX. ADMIN. CODE §§ 115.421(a)(9)(A)(ii), 116.115(c), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), New Source Review Permit No. 97967, Special Conditions No. 5, and FOP No. O3466, Special Terms and Conditions (“STC”) Nos. 1A and 8].
3. Failed to submit the DEC-2 at least 45 days prior to the first day of the use period. Specifically, the DEC-2 was due on March 11, 2013 for the intent to use DERCs between the period of April 25, 2013 through April 24, 2014, but was not submitted until July 23, 2013 [30 TEX. ADMIN. CODE §§ 101.376(d)(1)(B)(ii) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), and FOP No. O3466, STC No. 13B(i)].
4. Failed to submit the Permit Compliance Certification (“PCC”) no later than 30 days after the end of the certification period. Specifically, the PCC for the November 20, 2013 through May 19, 2014 certification period was due by June 18, 2014, but was not submitted until September 26, 2014 [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.146(2), TEX. HEALTH & SAFETY CODE § 382.085(b), and FOP No. O3466, GTC].
5. Failed to reference all Permits By Rule (“PBRs”) within the FOP. Specifically, the Respondent did not include the PBRs for boilers, heaters and other combustion devices, soldering, brazing, welding, hand-held and manually operated machines, aqueous solutions for electrolytic and electroless processes, miscellaneous metallic treatment, dry abrasive cleaning, and portable and emergency engines within FOP No. O3466 [30 TEX. ADMIN. CODE § 122.210(a) and TEX. HEALTH & SAFETY CODE § 382.085(b)].

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Docket No. 2014-1389-AIR-E

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

The Respondent has implemented the following corrective measures:

- a. On July 23, 2013, submitted the Notice of Intent to use DEC- for the period of July 23, 2013 through April 24, 2014;
- b. On December 18, 2013, submitted the deviation report for the May 20, 2013 through November 19, 2013 reporting period that reported the failure to submit the DEC-2 by March 11, 2013;
- c. On September 26, 2014, submitted the PCC for the November 20, 2013 through May 19, 2014 certification period; and
- d. On April 2, 2015, submitted a minor revision application to reference all PBRs within FOP No. O3466.

Technical Requirements:

The Order will require the Respondent to:

- a. Within 30 days, respond completely and adequately, as determined by the TCEQ, to all requests for information concerning the permit revision application for FOP No. O3466; and
- b. Within 180 days, submit written certification that either the revision for FOP No. O3466 has been obtained or that operation of the emission sources under the aforementioned PBRs has ceased until such time that the FOP is revised.

Litigation Information

Date Petition(s) Filed: N/A
Date Answer(s) Filed: N/A
SOAH Referral Date: N/A
Hearing Date(s): N/A
Settlement Date: N/A

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Hydril Company
RN102332673
Docket No. 2014-1389-AIR-E

Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: Farhaud Abbaszadeh, Enforcement Division, Enforcement Team 4, MC 149, (512) 239-0779; Candy Garrett, Enforcement Division, MC 219, (512) 239-1456

TCEQ SEP Coordinator: N/A

Respondent: Holly Currie, HSE - Analyst I, Hydril Company, 302 McCarty Street, Houston, Texas 77029

Respondent's Attorney: Carmen O. Silva, Attorney, Hydril Company, 302 McCarty Street, Houston, Texas 77029



Penalty Calculation Worksheet (PCW)

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

TCEQ

DATES	Assigned	2-Sep-2014	Screening	16-Sep-2014	EPA Due	
	PCW	1-May-2015				

RESPONDENT/FACILITY INFORMATION

Respondent	Hydril Company		
Reg. Ent. Ref. No.	RN102332673		
Facility/Site Region	12-Houston	Major/Minor Source	Major

CASE INFORMATION

Enf./Case ID No.	49345	No. of Violations	1
Docket No.	2014-1389-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Farhaud Abbaszadeh
		EC's Team	Enforcement Team 4
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$25,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1	\$3,750
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ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History	0.0% Enhancement	Subtotals 2, 3, & 7	\$0
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Notes: No adjustment for Compliance History.

Culpability	No	0.0% Enhancement	Subtotal 4	\$0
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Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments	Subtotal 5	-\$937
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Economic Benefit	0.0% Enhancement*	Subtotal 6	\$0
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Total EB Amounts: \$6
Estimated Cost of Compliance: \$250
*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7	Final Subtotal	\$2,813
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OTHER FACTORS AS JUSTICE MAY REQUIRE	0.0%	Adjustment	\$0
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Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

Final Penalty Amount	\$2,813
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STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$2,813
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DEFERRAL	20.0% Reduction	Adjustment	-\$562
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Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes:

Deferral offered for expedited settlement.

PAYABLE PENALTY	\$2,251
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Screening Date 16-Sep-2014

Docket No. 2014-1389-AIR-E

PCW

Respondent Hydril Company

Policy Revision 4 (April 2014)

Case ID No. 49345

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN102332673

Media [Statute] Air

Enf. Coordinator Farhaud Abbaszadeh

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	0	0%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgments or consent decrees meeting criteria</i>)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>)	1	-1%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	0	0%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 0%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance
History
Notes

No adjustment for Compliance History.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 0%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 0%

Screening Date 16-Sep-2014

Docket No. 2014-1389-AIR-E

PCW

Respondent Hydril Company

Policy Revision 4 (April 2014)

Case ID No. 49345

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN102332673

Media [Statute] Air

Enf. Coordinator Farhaud Abbaszadeh

Violation Number 1

Rule Cite(s)

30 Tex. Admin. Code §§ 122.143(4) and 122.145(2)(C), Tex. Health & Safety Code § 382.085(b), and Federal Operating Permit No. O3466, General Terms and Conditions

Violation Description

Failed to submit a deviation report no later than 30 days after the end of the reporting period. Specifically, a deviation report for the November 20, 2012 through May 19, 2013 reporting period was not submitted, but the Respondent had a deviation for failing to submit the Notice of Intent to use Discrete Emission Credits ("DEC-2") by March 11, 2013.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0.0%

>> Programmatic Matrix

Falsification			
	Major	Moderate	Minor
	X		

Percent 15.0%

Matrix Notes

100% of the rule requirement was not met.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1

183 Number of violation days

mark only one
with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	X

Violation Base Penalty \$3,750

One single event is recommended.

Good Faith Efforts to Comply

25.0%

Reduction \$937

Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer

Extraordinary	
Ordinary	X
N/A	(mark with x)

Notes The Respondent completed corrective actions on December 18, 2013, prior to the August 26, 2014 Notice of Enforcement.

Violation Subtotal \$2,813

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$6

Violation Final Penalty Total \$2,813

This violation Final Assessed Penalty (adjusted for limits) \$2,813

Economic Benefit Worksheet

Respondent Hydriil Company
Case ID No. 49345
Reg. Ent. Reference No. RN102332673
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$250	18-Jun-2013	18-Dec-2013	0.50	\$6	n/a	\$6

Notes for DELAYED costs

Estimated cost to submit the deviation report for the May 20, 2013 through November 19, 2013 reporting period that reported the failure to submit the DEC-2 by March 11, 2013. The Date Required is the date when the failure to submit the DEC-2 by March 11, 2013 should have been reported. The Final Date is the date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$250

TOTAL

\$6



Penalty Calculation Worksheet (PCW)

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

TCEQ

DATES	Assigned PCW	3-Mar-2015	Screening	10-Mar-2015	EPA Due	
		1-May-2015				

RESPONDENT/FACILITY INFORMATION

Respondent	HydriL Company		
Reg. Ent. Ref. No.	RN102332673		
Facility/Site Region	12-Houston	Major/Minor Source	Major

CASE INFORMATION

Enf./Case ID No.	49345	No. of Violations	4
Docket No.	2014-1389-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Farhaud Abbaszadeh
		EC's Team	Enforcement Team 4
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$25,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) **Subtotal 1** **\$15,000**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History **0.0%** Enhancement **Subtotals 2, 3, & 7** **\$0**

Notes No adjustment for Compliance History.

Culpability **No** **0.0%** Enhancement **Subtotal 4** **\$0**

Notes The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments **Subtotal 5** **-\$2,811**

Economic Benefit **0.0%** Enhancement* **Subtotal 6** **\$0**

Total EB Amounts \$709
Estimated Cost of Compliance \$5,500
*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 **Final Subtotal** **\$12,189**

OTHER FACTORS AS JUSTICE MAY REQUIRE **0.0%** **Adjustment** **\$0**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount **\$12,189**

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty** **\$12,189**

DEFERRAL **20.0%** Reduction **Adjustment** **-\$2,437**

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes

Deferral offered for expedited settlement.

PAYABLE PENALTY **\$9,752**

Screening Date 10-Mar-2015

Docket No. 2014-1389-AIR-E

PCW

Respondent Hydril Company

Policy Revision 4 (April 2014)

Case ID No. 49345

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN102332673

Media [Statute] Air

Enf. Coordinator Farhaud Abbaszadeh

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	0	0%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgments or consent decrees meeting criteria</i>)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>)	1	-1%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	0	0%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 0%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance
History
Notes

No adjustment for Compliance History.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 0%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 0%

Screening Date 10-Mar-2015
Respondent Hydril Company
Case ID No. 49345
Reg. Ent. Reference No. RN102332673
Media [Statute] Air
Enf. Coordinator Farhaud Abbaszadeh

Docket No. 2014-1389-AIR-E

PCW

Policy Revision 4 (April 2014)
PCW Revision March 26, 2014

Violation Number

1

Rule Cite(s)

30 Tex. Admin. Code §§ 115.421(a)(9)(A)(ii), 116.115(c), and 122.143(4), Tex. Health & Safety Code § 382.085(b), New Source Review Permit No. 97967, Special Conditions No. 5, and Federal Operating Permit ("FOP") No. 03466, Special Terms and Conditions ("STC") Nos. 1A and 8

Violation Description

Failed to comply with the volatile organic compound ("VOC") emissions specifications for surface coating. Specifically, the Respondent exceeded the miscellaneous metal parts and products VOC emissions limit of 3.5 pounds per gallon of coating by 0.8 to 2.36 pounds during the period of April 25, 2013 through July 22, 2013 and was not covered by Discrete Emission Reduction Credits ("DERCs") due to the late submittal of the Notice of Intent to Use Discrete Emission Credits ("DEC-2").

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			x
Potential			

Percent 15.0%

>> Programmatic Matrix

Falsification			
	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants that do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1

88 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	x
semiannual	
annual	
single event	

Violation Base Penalty \$3,750

One quarterly event is recommended from the period of April 25, 2013 through July 22, 2013 when excess VOC emissions were not covered by DERs.

Good Faith Efforts to Comply

25.0%

Reduction

\$937

Extraordinary

Ordinary

N/A

Notes

Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer

x	
	(mark with x)

The Respondent completed corrective actions on July 23, 2013, prior to the February 27, 2015 Notice of Enforcement ("NOE").

Violation Subtotal \$2,813

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$5

Violation Final Penalty Total \$2,813

This violation Final Assessed Penalty (adjusted for limits) \$2,813

Economic Benefit Worksheet

Respondent Hydril Company
Case ID No. 49345
Reg. Ent. Reference No. RN102332673
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$250	11-Mar-2013	23-Jul-2013	0.37	\$5	n/a	\$5

Notes for DELAYED costs

Estimated cost to submit the DEC-2 for the period of July 23, 2013 through April 24, 2014. The Date Required is the date the form was due. The Final Date is the date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance	\$250	TOTAL	\$5
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Screening Date 10-Mar-2015

Docket No. 2014-1389-AIR-E

PCW

Respondent Hydril Company

Policy Revision 4 (April 2014)

Case ID No. 49345

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN102332673

Media [Statute] Air

Enf. Coordinator Farhaud Abbaszadeh

Violation Number 2

Rule Cite(s)

30 Tex. Admin. Code §§ 101.376(d)(1)(B)(ii) and 122.143(4), Tex. Health & Safety Code § 382.085(b), and FOP No. O3466, STC No. 13B(i)

Violation Description

Failed to submit the DEC-2 at least 45 days prior to the first day of the use period. Specifically, the DEC-2 was due on March 11, 2013 for the intent to use DERCS between the period of April 25, 2013 through April 24, 2014, but was not submitted until July 23, 2013.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
	x		

Percent 15.0%

Matrix Notes

100% of the rule requirement was not met.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1

134 Number of violation days

mark only one
with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty \$3,750

One single event is recommended.

Good Faith Efforts to Comply

25.0%

Reduction \$937

Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer

Extraordinary		
Ordinary	x	
N/A		(mark with x)

Notes

The Respondent completed corrective actions on July 23, 2013, prior to the February 27, 2015 NOE.

Violation Subtotal \$2,813

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$2,813

This violation Final Assessed Penalty (adjusted for limits) \$2,813

Economic Benefit Worksheet

Respondent Hydril Company
Case ID No. 49345
Reg. Ent. Reference No. RN102332673
Media Air
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Overtime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

See economic benefit for Violation No. 1.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$0

TOTAL

\$0

Screening Date 10-Mar-2015

Docket No. 2014-1389-AIR-E

PCW

Respondent Hydril Company

Policy Revision 4 (April 2014)

Case ID No. 49345

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN102332673

Media [Statute] Air

Enf. Coordinator Farhaud Abbaszadeh

Violation Number 3

Rule Cite(s)

30 Tex. Admin. Code §§ 122.143(4) and 122.146(2), Tex. Health & Safety Code § 382.085(b), and FOP No. 03466, General Terms and Conditions

Violation Description

Failed to submit the Permit Compliance Certification ("PCC") no later than 30 days after the end of the certification period. Specifically, the PCC for the November 20, 2013 through May 19, 2014 certification period was due by June 18, 2014, but was not submitted until September 26, 2014.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
	x		

Percent 15.0%

Matrix Notes

100% of the rule requirement was not met.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1

100 Number of violation days

mark only one
with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty \$3,750

One single event is recommended.

Good Faith Efforts to Comply

25.0%

Reduction \$937

	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary	x	
N/A		(mark with x)

Notes The Respondent completed corrective actions on September 26, 2014, prior to the February 27, 2015 NOE.

Violation Subtotal \$2,813

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$3

Violation Final Penalty Total \$2,813

This violation Final Assessed Penalty (adjusted for limits) \$2,813

Economic Benefit Worksheet

Respondent Hydril Company
Case ID No. 49345
Reg. Ent. Reference No. RN102332673
Media Air
Violation No. 3

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

No commas or \$

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$250	18-Jun-2014	26-Sep-2014	0.27	\$3	n/a	\$3

Notes for DELAYED costs

Estimated cost to submit the PCC for the November 20, 2013 through May 19, 2014 certification period. The Date Required is the date the certification was due. The Final Date is the date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$250

TOTAL

\$3

Screening Date 10-Mar-2015

Docket No. 2014-1389-AIR-E

PCW

Respondent Hydril Company

Policy Revision 4 (April 2014)

Case ID No. 49345

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN102332673

Media [Statute] Air

Enf. Coordinator Farhaud Abbaszadeh

Violation Number 4

Rule Cite(s)

30 Tex. Admin. Code § 122.210(a) and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to reference all Permits by Rule ("PBRs") within the FOP. Specifically, the Respondent did not include the PBRs for boilers, heaters and other combustion devices, soldering, brazing, welding, hand-held and manually operated machines, aqueous solutions for electrolytic and electroless processes, miscellaneous metallic treatment, dry abrasive cleaning, and portable and emergency engines within FOP No. O3466.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0.0%

>> Programmatic Matrix

Falsification	Harm		
	Major	Moderate	Minor
	x		

Percent 15.0%

Matrix Notes

100% of the rule requirement was not met.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1

840 Number of violation days

mark only one
with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty \$3,750

One single event is recommended for the FOP revision.

Good Faith Efforts to Comply

0.0%

Reduction

\$0

Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer

Extraordinary		
Ordinary		
N/A	x	(mark with x)

Notes

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$3,750

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$701

Violation Final Penalty Total \$3,750

This violation Final Assessed Penalty (adjusted for limits) \$3,750

Economic Benefit Worksheet

Respondent Hydril Company
 Case ID No. 49345
 Reg. Ent. Reference No. RN102332673
 Media Air
 Violation No. 4

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

No commas or \$

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs	\$5,000	20-Nov-2012	10-Sep-2015	2.81	\$701	n/a	\$701
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to obtain a minor revision to reference all PBRs within FOP No. O3466. The Date Required is the permit issuance date and the Final Date is the estimated date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$5,000

TOTAL

\$701

The TCEQ is committed to accessibility.
To request a more accessible version of this report, please contact the TCEQ Help Desk at (512) 239-4357.



Compliance History Report

PENDING Compliance History Report for CN600327589, RN102332673, Rating Year 2014 which includes Compliance (CH) components from September 1, 2009, through August 31, 2014.

Customer, Respondent, or Owner/Operator:	CN600327589, Hydril Company	Classification:	SATISFACTORY	Rating:	0.82
Regulated Entity:	RN102332673, HYDRIL PREMIUM CONNECTIONS	Classification:	SATISFACTORY	Rating:	0.82
Complexity Points:	11	Repeat Violator:	NO		
CH Group:	14 - Other				
Location:	302 MCCARTY STREET HOUSTON, TEXAS 77029-1140, HARRIS COUNTY				
TCEQ Region:	REGION 12 - HOUSTON				

ID Number(s):

INDUSTRIAL AND HAZARDOUS WASTE EPA ID
TXD988059184

INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE
REGISTRATION # (SWR) 78005

AIR NEW SOURCE PERMITS PERMIT 97967

AIR NEW SOURCE PERMITS REGISTRATION 54284

STORMWATER PERMIT TXR05AM46

AIR EMISSIONS INVENTORY ACCOUNT NUMBER HG0386L

AIR OPERATING PERMITS PERMIT 3466

POLLUTION PREVENTION PLANNING ID NUMBER
P08046

INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE
REGISTRATION # (SWR) 31232

AIR NEW SOURCE PERMITS REGISTRATION 87250

AIR NEW SOURCE PERMITS AFS NUM 4820100213

PETROLEUM STORAGE TANK REGISTRATION
REGISTRATION 5742

AIR EMISSIONS INVENTORY ACCOUNT NUMBER HG0386L

AIR OPERATING PERMITS PERMIT 3474

AIR OPERATING PERMITS ACCOUNT NUMBER HG0386L

Compliance History Period: September 01, 2009 to August 31, 2014 **Rating Year:** 2014 **Rating Date:** 09/01/2014

Date Compliance History Report Prepared: September 15, 2014

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: September 15, 2009 to September 15, 2014

TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.

Name: Farhaud Abbaszadeh

Phone: (512) 239-0779

Site and Owner/Operator History:

- | | |
|--|-----|
| 1) Has the site been in existence and/or operation for the full five year compliance period? | YES |
| 2) Has there been a (known) change in ownership/operator of the site during the compliance period? | NO |
| 3) If YES for #2, who is the current owner/operator? | N/A |
| 4) If YES for #2, who was/were the prior owner(s)/operator(s)? | N/A |
| 5) If YES , when did the change(s) in owner or operator occur? | N/A |

Components (Multimedia) for the Site Are Listed in Sections A - J

A. Final Orders, court judgments, and consent decrees:
N/A

B. Criminal convictions:
N/A

C. Chronic excessive emissions events:
N/A

D. The approval dates of investigations (CCEDS Inv. Track. No.):

N/A

E. Written notices of violations (NOV) (CCEDS Inv. Track. No.):

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

N/A

F. Environmental audits:

Notice of Intent Date: 05/20/2011 (924181)

No DOV Associated

G. Type of environmental management systems (EMSs):

N/A

H. Voluntary on-site compliance assessment dates:

N/A

I. Participation in a voluntary pollution reduction program:

N/A

J. Early compliance:

N/A

Sites Outside of Texas:

N/A

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To request a more accessible version of this report, please contact the TCEQ Help Desk at (512) 239-4357.



Compliance History Report

PUBLISHED Compliance History Report for CN600327589, RN102332673, Rating Year 2014 which includes Compliance History (CH) components from September 1, 2009, through August 31, 2014.

Customer, Respondent, or Owner/Operator: CN600327589, Hydril Company

Classification: SATISFACTORY

Rating: 0.82

Regulated Entity: RN102332673, HYDRIL PREMIUM CONNECTIONS

Classification: SATISFACTORY

Rating: 0.82

Complexity Points: 11

Repeat Violator: NO

CH Group: 14 - Other

Location: 302 MCCARTY STREET HOUSTON, TEXAS 77029-1140, HARRIS COUNTY

TCEQ Region: REGION 12 - HOUSTON

ID Number(s):

INDUSTRIAL AND HAZARDOUS WASTE EPA ID

TXD988059184

INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE

REGISTRATION # (SWR) 78005

AIR NEW SOURCE PERMITS PERMIT 97967

AIR NEW SOURCE PERMITS REGISTRATION 54284

STORMWATER PERMIT TXR05AM46

AIR EMISSIONS INVENTORY ACCOUNT NUMBER HG0386L

AIR OPERATING PERMITS PERMIT 3466

POLLUTION PREVENTION PLANNING ID NUMBER

P08046

INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE

REGISTRATION # (SWR) 31232

AIR NEW SOURCE PERMITS REGISTRATION 87250

AIR NEW SOURCE PERMITS AFS NUM 4820100213

PETROLEUM STORAGE TANK REGISTRATION

REGISTRATION 5742

AIR EMISSIONS INVENTORY ACCOUNT NUMBER HG0386L

AIR OPERATING PERMITS PERMIT 3474

AIR OPERATING PERMITS ACCOUNT NUMBER HG0386L

Compliance History Period: September 01, 2009 to August 31, 2014

Rating Year: 2014

Rating Date: 09/01/2014

Date Compliance History Report Prepared: March 06, 2015

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: March 06, 2010 to March 06, 2015

TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.

Name: Farhaud Abbaszadeh

Phone: (512) 239-0779

Site and Owner/Operator History:

- | | |
|--|-----|
| 1) Has the site been in existence and/or operation for the full five year compliance period? | YES |
| 2) Has there been a (known) change in ownership/operator of the site during the compliance period? | NO |
| 3) If YES for #2, who is the current owner/operator? | N/A |
| 4) If YES for #2, who was/were the prior owner(s)/operator(s)? | N/A |
| 5) If YES , when did the change(s) in owner or operator occur? | N/A |

Components (Multimedia) for the Site Are Listed in Sections A - J

A. Final Orders, court judgments, and consent decrees:

N/A

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

D. The approval dates of investigations (CCEDS Inv. Track. No.):

N/A

E. Written notices of violations (NOV) (CCEDS Inv. Track. No.):

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

N/A

F. Environmental audits:

Notice of Intent Date: 05/20/2011 (924181)

No DOV Associated

G. Type of environmental management systems (EMSs):

N/A

H. Voluntary on-site compliance assessment dates:

N/A

I. Participation in a voluntary pollution reduction program:

N/A

J. Early compliance:

N/A

Sites Outside of Texas:

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
HYDRIL COMPANY
RN102332673**

**§ BEFORE THE
§
§ TEXAS COMMISSION ON
§
§ ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2014-1389-AIR-E

I. JURISDICTION AND STIPULATIONS

On _____, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Hydril Company ("Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent together stipulate that:

1. The Respondent owns and operates a pipe threading facility located at 302 McCarty Street in Houston, Harris County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Executive Director and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notices of the violations alleged in Section II ("Allegations") on or about August 31, 2014 and March 4, 2015.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Fifteen Thousand Two Dollars (\$15,002) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Twelve Thousand Three Dollars (\$12,003) of the administrative penalty and Two Thousand Nine Hundred Ninety-Nine Dollars

(\$2,999) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty.

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a).
9. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:
 - a. On July 23, 2013, submitted the Notice of Intent to use Discrete Emission Credits ("DEC-2") for the period of July 23, 2013 through April 24, 2014;
 - b. On December 18, 2013, submitted the deviation report for the May 20, 2013 through November 19, 2013 reporting period that reported the failure to submit the DEC-2 by March 11, 2013;
 - c. On September 26, 2014, submitted the Permit Compliance Certification ("PCC") for the November 20, 2013 through May 19, 2014 certification period; and
 - d. On April 2, 2015, submitted a minor revision application to reference all Permits By Rule ("PBRs") within Federal Operating Permit ("FOP") No. O3466.
10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Plant, the Respondent is alleged to have:

1. Failed to submit a deviation report no later than 30 days after the end of the reporting period, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(C), TEX. HEALTH & SAFETY CODE § 382.085(b), and FOP No. O3466, General Terms and Conditions ("GTC"), as documented during a record review conducted on July 31, 2014 through August 7, 2014. Specifically, a deviation report for the November 20, 2012 through May 19, 2013 reporting period was not submitted, but the Respondent had a deviation for failing to submit the DEC-2 by March 11, 2013.
2. Failed to comply with the volatile organic compound ("VOC") emissions specifications for surface coating, in violation of 30 TEX. ADMIN. CODE §§ 115.421(a)(9)(A)(ii), 116.115(c), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), New Source Review Permit No. 97967, Special Conditions No. 5, and FOP No. O3466, Special Terms and Conditions ("STC") Nos. 1A and 8, as documented during an investigation conducted on January 13, 2015. Specifically, the Respondent exceeded the miscellaneous metal parts and products VOC emissions limit of 3.5 pounds per gallon of coating by 0.8 to 2.36 pounds during the period of April 25, 2013 through July 22, 2013 and was not covered by Discrete Emission Reduction Credits ("DERCs") due to the late submittal of the DEC-2.
3. Failed to submit the DEC-2 at least 45 days prior to the first day of the use period, in violation of 30 TEX. ADMIN. CODE §§ 101.376(d)(1)(B)(ii) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), and FOP No. O3466, STC No. 13B(i), as documented during an investigation conducted on January 13, 2015. Specifically, the DEC-2 was due on March 11, 2013 for the intent to use DERCs between the period of April 25, 2013 through April 24, 2014, but was not submitted until July 23, 2013.
4. Failed to submit the PCC no later than 30 days after the end of the certification period, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.146(2), TEX. HEALTH & SAFETY CODE § 382.085(b), and FOP No. O3466, GTC, as documented during an investigation conducted on January 13, 2015. Specifically, the PCC for the November 20, 2013 through May 19, 2014 certification period was due by June 18, 2014, but was not submitted until September 26, 2014.
5. Failed to reference all PBRs within the FOP, in violation of 30 TEX. ADMIN. CODE § 122.210(a) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on January 13, 2015. Specifically, the Respondent did not include the PBRs for boilers, heaters and other combustion devices, soldering, brazing, welding, hand-held and manually operated machines, aqueous solutions for electrolytic and electroless processes, miscellaneous metallic treatment, dry abrasive cleaning, and portable and emergency engines within FOP No. O3466.

III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Hydril Company, Docket No. 2014-1389-AIR-E" to:

Financial Administration Division, Revenue Operations Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. It is further ordered that the Respondent shall undertake the following technical requirements:
 - a. Respond completely and adequately, as determined by the TCEQ, to all requests for information concerning the permit revision application for FOP No. O3466 within 30 days after the date of such requests, or by any other deadline specified in writing; and
 - b. Within 180 days after the effective date of this Agreed Order, submit written certification that either the revision for FOP No. O3466 has been obtained or that operation of the emission sources under the aforementioned PBRs has ceased until such time that the FOP is revised. The certification shall include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance, and be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

Air Section Manager
Houston Regional Office
Texas Commission on Environmental Quality
5425 Polk Avenue, Suite H
Houston, Texas 77023-1486

3. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
4. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
7. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature

could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.

8. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

Carmen Osilla
For the Executive Director

12/2/15
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

~~In addition, any falsification of any compliance documents may result in criminal prosecution.~~

George / Carmen Osilla
Signature

5-20-15
Date

attorneys-in-fact
Name (Printed or typed)
Authorized Representative of
Hydril Company

attorneys-in-fact
Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Section IV, Paragraph 1 of this Agreed Order.